UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/48/717/Add.1
7 December 1993

ORIGINAL: ENGLISH

Forty-eighth session
Agenda item 91 (a)

DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION: TRADE AND DEVELOPMENT

Report of the Second Committee*

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I. INTRODUCTION

1. The Second Committee held a substantive debate on agenda item 91 (see A/48/717, para. 2). Action to be taken under sub-item (a) on the two proposals discussed in section II below was considered at the 34th and 45th meetings, on 17 November and 6 December 1993. An account of the Committee's consideration of the two proposals is contained in the relevant summary records (A/C.2/48/SR.34 and 45). Action on other proposals submitted under sub-item (a) will be reported separately.

II. CONSIDERATION OF PROPOSALS

A. Draft resolutions A/C.2/48/L.13 and L.55

2. At the 34th meeting, on 17 November, the representative of Colombia, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Strengthening international organizations in the area of multilateral trade" (A/C.2/48/L.13), which read as follows:

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* The report on this agenda item will be issued in several parts, under the symbol A/48/717 and addenda.

"The General Assembly,

"Reaffirming the importance and continued validity of the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, 1/ the International Development Strategy for the Fourth United Nations Development Decade, 2/ the United Nations New Agenda for the Development of Africa in the 1990s, 3/ the Programme of Action for the Least Developed Countries for the 1990s, 4/ 'A New Partnership for Development: the Cartagena Commitment', 5/ and the various agreements, in particular Agenda 21, 6/ that provide an overall framework for developing cooperative action to address the development challenges of the 1990s,

"Recalling its resolutions 45/201 of 21 December 1990, 46/207 of 20 December 1991 and 47/184 of 22 December 1992,

"Welcoming the progress made by the United Nations Conference on Trade and Development in the implementation of the outcome of its eighth session, in particular the organization's institutional reforms,

"Taking note of the progress report of the Secretary-General concerning institutional developments related to the strengthening of international organizations in the area of multilateral trade, 7/

"Deeply concerned by the repeated delays in concluding the Uruguay Round of multilateral trade negotiations, largely as a result of the inability of the major developed countries to resolve their differences,

"Stressing the urgent need for the Uruguay Round to be concluded in a balanced manner, taking into account all issues of interest to developing countries and their development,

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1/ Resolution S-18/3, annex.

2/ Resolution 45/199, annex.

3/ Resolution 46/151, annex, sect. II.

4/ Report of the Second United Nations Conference on the Least Developed Countries, Paris, 3-14 September 1990 (A/CONF.147/18), part one.

5/ TD/364, part one, sect. A.

6/ Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992, vol. I, Resolutions adopted by the Conference (United Nations publication, Sales No. E.93.I.8 and corrigenda), resolution 1, annex II.

7/ A/48/363.

"1. Once again urges all Governments and the executive heads of the specialized agencies and other organizations and programmes of the United Nations system to endeavour to present their views to the Secretary-General on this matter;

"2. Requests the Secretary-General to prepare, for submission to the General Assembly at its forty-ninth session, an updated report taking into account the positive institutional outcome and implementation of the results of the eighth session of the United Nations Conference on Trade and Development and the developments in the Uruguay Round of multilateral trade negotiations."

3. At the 45th meeting, on 6 December, the Vice-Chairman of the Committee, Mr. Leandro Arellano Resendiz (Mexico), introduced a draft resolution (A/C.2/48/L.55), submitted on the basis of informal consultations held on draft resolution A/C.2/48/L.13.

4. The Committee was informed that the draft resolution had no programme budget implications.

5. At the same meeting, the Committee adopted draft resolution A/C.2/48/L.55 without a vote (see para. 13, draft resolution I).

6. In the light of the adoption of draft resolution A/C.2/48/L.55, draft resolution A/C.2/48/L.13 was withdrawn by its sponsors.

B. Draft resolutions A/C.2/48/L.15 and L.57

7. At the 34th meeting, on 17 November, the representative of Colombia, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "International trade and development" (A/C.2/48/L.15), which read as follows:

"The General Assembly,

"Reaffirming the importance and continued validity of the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, 1/ the International Development Strategy for the Fourth United Nations Development Decade, 2/ the United Nations New Agenda for the Development of Africa in the 1990s, 3/ the Programme of Action for the Least Developed Countries for the 1990s, 4/ the New Partnership for Development as contained in the Cartagena Commitment 5/ and the various agreements, in particular Agenda 21, 6/ which provide an overall framework for developing cooperative action to address the development challenges of the 1990s,

"Recalling its resolution 1995 (XIX) of 30 December 1964, as amended, 8/ on the establishment of the United Nations Conference on Trade and Development, and its resolution 47/183 of 22 December 1992 on the eighth session of the Conference,

"Noting the progress made in the implementation by the United Nations Conference on Trade and Development of the outcome of its eighth session and in particular its contribution, within its mandate, to trade and environmental issues,

"Noting with concern that the state of the current international economic situation, characterized by slow growth and a fragile economic recovery, have adversely affected the growth and development of the developing countries,

"Emphasizing the importance of an open, equitable, secure, non-discriminatory and predictable multilateral trading system and a stable international financial environment for economic recovery and growth in all parts of the world economy, particularly in the developing countries,

"Noting with serious concern the pervasive intensification and increased application of new protectionist measures in the developed countries,

"Emphasizing that the enormous cost of subsidies and protectionist policies, particularly in the areas of agriculture and textiles, has a negative impact on the economic growth and development of all countries, in particular of developing countries,

"Recognizing that improved access to external markets and further multilateral trade liberalization is a basic prerequisite for a reactivation of growth in all parts of the world economy, in particular in the developing countries,

"Recognizing also with satisfaction the major structural economic reforms, trade policy liberalization and regional economic integration efforts undertaken by developing countries and the fact that those policies have contributed to the expansion of world trade and enhanced the export possibilities and economic growth prospects for all countries,

"Recognizing also that regional economic integration processes among developing countries, which have intensified in recent years, impart substantial dynamism to global trade and enhance trade and development possibilities for all countries,

"Emphasizing the need for increased international support for the reforms being undertaken by developing countries, including the critical importance of increased global market access for their exports for the success of those reforms,

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8/ See resolutions 2904 (XXVII), 31/2 A and B and 34/3.

"Reaffirming the need to give priority to problems facing the least developed countries, owing to the fragility of their economies and their particular vulnerability to external shocks and natural calamities,

"Reaffirming the message, as adopted by the Trade and Development Board during the second part of its thirty-ninth session, addressed to the participants in the Uruguay Round of multilateral trade negotiations, calling for an early, balanced and successful conclusion of the Round as a prerequisite for a return to the path of growth, trade expansion and an improved world economic climate,

"Stressing that for the Uruguay Round to be concluded in a balanced manner, all issues of interest to developing countries and their development must be fully taken into account,

"Emphasizing that a failure of the Uruguay Round would seriously erode business confidence, intensify trade differences and disputes, retard global economic growth and recovery, encourage and protect uncompetitive sectors of the economy and undermine the outward-oriented reforms being undertaken by developing countries,

"Reaffirming the need for a balanced and integrated approach to environment and development issues and reaffirming also the need for a new global partnership for sustainable development,

"Recognizing that the complex linkages between trade and environment pose significant challenges to the pursuit of sustainable development and to the maintenance of a free and open trading system,

"Welcoming Trade and Development Board decision 402 (XXXIX) of 26 March 1993 on sustainable development and its conclusions, 407 (XL) of 1 October 1993 regarding contribution of the United Nations Conference on Trade and Development to the study of the interlinkages between trade and environment, in the context of sustainable development,

"1. Takes note of the reports of the Trade and Development Board on the second part of its thirty-ninth session 9/ and the first part of its fortieth session 10/ and calls upon all States to take appropriate action to implement the outcome of those sessions;

"2. Emphasizes the importance of follow-up and monitoring of the implementation of the policies and measures as contained in outcomes of the eighth session of the United Nations Conference on Trade and Development, in particular the Cartagena Commitment; 5/

9/ A/48/15 (vol. I).

10/ A/48/15 (vol. II).

"3. Welcomes the conclusions of the Trade and Development Board, as contained in its reports on the second part of its thirty-ninth session and the first part of its fortieth session, on the international implications of macroeconomic policies and global interdependence as a concrete contribution to changing perceptions on issues concerning growth dynamics in various regions, particularly with respect to the conceptual framework, design and implementation of structural adjustment policies;

"4. Stresses the urgent need for trade liberalization and improved access to developed country markets, in order to generate global economic growth and development for the benefit of all, in particular the developing countries;

"5. Urges the major developed countries to resolve their differences over, inter alia, issues related to agriculture, textiles and clothing, which have delayed progress in the Uruguay Round of multilateral trade negotiations;

"6. Deplores the repeated delays in concluding the Uruguay Round, largely as a result of the inability of the major developed countries to resolve their differences;

"7. Strongly urges all participants in the Uruguay Round, in particular the major developed countries, to complete, by 15 December 1993, the Uruguay Round negotiations, taking into account all issues of interest to the developing countries and providing a comprehensive market access package on goods and services, covering items of export interest to them;

"8. Urges further all participants to give special attention to the least developed countries with a view to enhancing their full participation in the multilateral trading system;

"9. Urges developed countries to examine the possibility of reorienting funds currently spent on production subsidies towards international development financing;

"10. Emphasizes that an open, equitable, secure, non-discriminatory and predictable multilateral trading system is essential to advancing the goals of sustainable development;

"11. Emphasizes that environment and trade policies should be made mutually supportive with a view towards achieving sustainable development;

"12. Emphasizes that trade policy measures for environmental purposes should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade and that unilateral actions to deal with environmental challenges outside the jurisdiction of the importing country must be avoided;

"13. Urges the United Nations Conference on Trade and Development to continue its special role in the field of trade and environment, including policy analysis, conceptual work and consensus-building, with a view to

ensuring transparency and coherence in making environmental and trade policies mutually supportive;

"14. Notes the recommendation by the Trade and Development Board that increased attention needs to be paid in the further work of the Conference to environmentally motivated policy instruments with a trade impact, in particular the impact on export competitiveness and market access and the effect of the internalization of the external cost on sustainable development;

"15. Requests the United Nations Conference on Trade and Development and other relevant United Nations bodies, in close cooperation with regional commissions, comprehensively to address trade and environmental matters and submit a report to the Economic and Social Council at its substantive session of 1994, through the Commission on Sustainable Development."

8. At the 45th meeting, on 6 December, the Vice-Chairman of the Committee, Mr. Leandro Arellano Resendiz (Mexico), introduced a draft resolution (A/C.2/48/L.57), submitted on the basis of informal consultations held on draft resolution A/C.2/48/L.15.

9. At the same meeting, the representative of Singapore informed the Committee of a number of editorial corrections to the text of the draft resolution.

10. The Committee was informed that the draft resolution had no programme budget implications.

11. At the same meeting, the Committee adopted draft resolution A/C.2/48/L.57, as orally corrected, without a vote (see para. 13, draft resolution II).

12. In the light of the adoption of draft resolution A/C.2/48/L.57, draft resolution A/C.2/48/L.15 was withdrawn by its sponsors.

III. RECOMMENDATIONS OF THE SECOND COMMITTEE

13. The Second Committee recommends to the General Assembly the adoption of the following draft resolutions:

DRAFT RESOLUTION I

Strengthening international organizations in the area of multilateral trade

The General Assembly,

Reaffirming the importance and continuing validity of the Declaration on International Economic Cooperation, in particular the Revitalization of Economic

Growth and Development of the Developing Countries, 11/ the International Development Strategy for the Fourth United Nations Development Decade, 12/ the United Nations New Agenda for the Development of Africa in the 1990s, 13/ the Programme of Action for the Least Developed Countries for the 1990s, 14/ the document entitled "A New Partnership for Development: the Cartagena Commitment", 15/ and the various agreements, in particular Agenda 21, 16/ that provide an overall framework for developing cooperative action to address the development challenges of the 1990s,

Recalling its resolutions 45/201 of 21 December 1990, 46/207 of 20 December 1991 and 47/184 of 22 December 1992,

Welcoming the progress made by the United Nations Conference on Trade and Development in the implementation of the outcome of its eighth session, in particular the organization's institutional reforms,

Taking note of the report of the Secretary-General concerning institutional developments related to the strengthening of international organizations in the area of multilateral trade, 17/

Deeply concerned by the repeated delays in concluding the Uruguay Round of multilateral trade negotiations,

Stressing the urgent need for the Uruguay Round to be concluded in a balanced manner, taking into account issues of particular interest to developing countries and their development,

Emphasizing the importance of a strengthened multilateral trading system and of the respecting by all countries of multilaterally agreed rules,

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11/ Resolution S-18/3, annex.

12/ Resolution 45/199, annex.

13/ Resolution 46/151, annex, sect. II.

14/ Report of the Second United Nations Conference on the Least Developed Countries, Paris, 3-14 September 1990 (A/CONF.147/18), part one.

15/ Report of the United Nations Conference on Trade and Development on its eighth session (TD/364), part one, sect. A.

16/ Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992, vol. I, Resolutions adopted by the Conference (United Nations publication, Sales No. E.93.I.8 and corrigenda), resolution 1, annex II.

17/ A/48/363.

1. Once again urges all Governments, competent regional economic integration organizations, and the executive heads of the competent specialized agencies and other organizations and programmes of the United Nations system to continue to present their views to the Secretary-General on this matter;

2. Requests the Secretary-General to prepare, for submission to the General Assembly at its forty-ninth session, an updated report taking into account the positive institutional outcome and implementation of the results of the eighth session of the United Nations Conference on Trade and Development and the developments in the Uruguay Round of multilateral trade negotiations.

DRAFT RESOLUTION II

International trade and development

The General Assembly,

Reaffirming the importance and continuing validity of the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, 11/ the International Development Strategy for the Fourth United Nations Development Decade, 12/ the United Nations New Agenda for the Development of Africa in the 1990s, 13/ the Programme of Action for the Least Developed Countries for the 1990s, 14/ the Cartagena Commitment, 15/ and the various agreements, in particular Agenda 21, 16/ that provide an overall framework for developing cooperative action to address the development challenges of the 1990s,

Recalling its resolutions 1995 (XIX) of 30 December 1964, as amended, 18/ on the establishment of the United Nations Conference on Trade and Development as an organ of the General Assembly, and 47/183 of 22 December 1992 on the eighth session of the Conference,

Noting the progress made by the United Nations Conference on Trade and Development in the implementation of the outcome of its eighth session, in particular its contribution, within its mandate, to trade and environmental issues,

Noting with concern that, although a number of developing countries have experienced higher rates of growth and an expansion of their trade, the current international economic situation, characterized by slow growth and a fragile economic recovery, has adversely affected the growth and development of all countries, in particular the developing countries,

Emphasizing the importance of an open, equitable, secure, non-discriminatory and predictable multilateral trading system that is consistent with the goals of sustainable development and that leads to the optimal distribution of global production in accordance with comparative advantage, and of a stable international financial environment for economic

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18/ See resolutions 2904 (XXVII), 31/2 A and B and 34/3.

recovery and growth in all parts of the world economy, including in particular the developing countries,

Noting with serious concern the intensification of pressures for protectionism and unilateralism, in particular in many developed countries, and stressing in this regard the need for all countries to halt and reverse protectionism and respect multilaterally agreed trade rules,

Emphasizing that the high economic cost of protectionist policies has a negative impact on the economic growth and sustainable development of all countries, in particular the developing countries, and emphasizing further that within this context such policies in no case constitute an appropriate means of addressing the serious problems of unemployment,

Recognizing that improved access to external markets and further multilateral trade liberalization is a very important prerequisite for the reactivation of growth in all parts of the world economy, including in particular the developing countries,

Recognizing with satisfaction that major structural economic reforms, and trade policy liberalization and regional economic integration efforts, are being undertaken by many developing countries, as well as by a number of other countries, and that such policies have contributed to the expansion of world trade and enhanced export possibilities and economic growth prospects for all countries,

Recognizing that regional economic integration processes, including those among developing countries, which have intensified in recent years, impart substantial dynamism to global trade and enhance trade and development possibilities for all countries, and stressing that in order to maintain the positive aspects of such integration arrangements and assure the prevalence of their dynamic growth effects, Member States and groupings should strive to be outward-oriented and supportive of the multilateral trading system,

Emphasizing the need for increased international support for the reforms being undertaken by many developing countries, and by countries with economies in transition, including the provision of increased global market access for their exports, which is of critical importance for the success and further encouragement of those reforms,

Reaffirming the need to give priority to problems facing the least developed countries, owing to the fragility of their economies and their particular vulnerability to external shocks and natural calamities,

Reaffirming also the message from the Trade and Development Board to the Governments participating in the Uruguay Round of multilateral trade negotiations, adopted by the Board at the second part of its thirty-ninth session, in which the Board stressed that an early and successful conclusion of

the Uruguay Round should be viewed as a prerequisite to a return to the path of growth, trade expansion and an improved world economic climate, 19/

Stressing that for the Uruguay Round of multilateral trade negotiations to be concluded in a balanced manner, issues of particular interest to developing countries and their development must be taken fully into account,

Emphasizing that a failure of the Uruguay Round of multilateral trade negotiations would seriously risk eroding business confidence, intensify trade differences and disputes, retard global economic growth and recovery, encourage and protect uncompetitive sectors of the economy and undermine the outward-oriented reforms being undertaken by many developing countries,

Reaffirming the need for a balanced and integrated approach to environment, trade and development issues within the context of a new global partnership for sustainable development,

Recognizing that the complex linkages between trade and environment pose significant challenges to the pursuit of sustainable development and to the maintenance of a free and open trading system,

Welcoming Trade and Development Board decision 402 (XXXIX) of 26 March 1993 20/ on sustainable development and its conclusions 407 (XL) of 1 October 1993 21/ regarding the contribution of the United Nations Conference on Trade and Development, within its mandate, to the study of the interlinkages between trade and environment, in the context of sustainable development,

1. Takes note of the reports of the Trade and Development Board on the second part of its thirty-ninth session 22/ and the first part of its fortieth session, 23/ and calls upon all States to take appropriate action to implement the outcome of those sessions;

2. Emphasizes the importance of follow-up and monitoring of the implementation of the policies and measures contained in the Cartagena Commitment adopted by the United Nations Conference on Trade and Development at its eighth session; 15/

3. Takes note of the conclusions derived from the debate of the Trade and Development Board, which was underpinned, inter alia, by the Trade and Development Report, 1993, on the international implications of macroeconomic policies and issues concerning global interdependence, as constituting a

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19/ See A/48/15 (vol. I), chap. I, sect. C (2), para. 1.

20/ See A/48/15 (vol. I), chap. I.B.

21/ See A/48/15 (vol. II), chap. I.A.

22/ A/48/15 (vol. I).

23/ A/48/15 (vol. II).

concrete contribution to the changing of perceptions on issues concerning growth dynamics in various regions, particularly with respect to the conceptual framework, design and implementation of structural adjustment policies;

4. Recognizes that trade liberalization by all countries, including in particular the developed countries, is an important tool for increasing economic efficiency and improving resource allocation, economic growth, sustainable development and employment in all countries;

5. Stresses in this context the urgent need for trade liberalization and improved access to the markets of all countries, in particular those of the developed countries, in order to generate global economic growth and sustainable development for the benefit of all countries, in particular the developing countries, as well as countries with economies in transition;

6. Emphasizes that in order to promote sustainable development through trade, the removal of existing distortions in international trade is essential, emphasizes, in particular, the need for a substantial and progressive reduction in the support and protection of agriculture, covering internal regimes, market access and export subsidies, as well as of industry and other sectors, so as to avoid inflicting large losses on the more efficient producers, especially in developing countries, and in this context further emphasizes that trade liberalization should be pursued on a global basis across economic sectors so as to contribute to sustainable development;

7. Deplores the repeated delays in concluding the Uruguay Round of multilateral trade negotiations;

8. Urges all countries, in particular the major developed countries, to resolve all outstanding differences in all areas of the negotiations in order to ensure a successful conclusion of the Uruguay Round of multilateral trade negotiations;

9. Strongly urges all participants in the Uruguay Round of multilateral trade negotiations to complete the Round by 15 December 1993, taking into account issues of particular interest to the developing countries and providing a comprehensive market access package on goods and services, including items of export interest to those countries, and stresses in this regard the need for a full contribution by all parties;

10. Urges all participants to give special attention to the least developed countries with a view to enhancing their full participation in the multilateral trading system;

11. Stresses that the ability of many developing countries to mobilize, through international trade, the resources needed to finance investments required for sustainable development may be impaired by tariff and non-tariff impediments, including tariff escalation, limiting their access to export markets, and also that a comprehensive and balanced conclusion to the Uruguay Round of multilateral trade negotiations would help all countries mobilize financing for sustainable development;

12. Emphasizes that an open, equitable, secure, non-discriminatory and predictable multilateral trading system that is consistent with the goals of sustainable development and that leads to the optimal distribution of global production in accordance with comparative advantage is of benefit to all trading partners, and in this context also emphasizes that improved market access for the exports of developing countries in conjunction with sound macroeconomic and environmental policies would have a positive environmental impact and therefore make an important contribution towards sustainable development;

13. Also emphasizes that environment and trade policies should be made mutually supportive, with a view to achieving sustainable development;

14. Further emphasizes that environmental measures addressing transborder or global environmental problems should, as far as possible, be based on an international consensus, and in this context emphasizes still further that the international community should strive for the broadest possible international coordination of environmental and trade policies through intergovernmental cooperation, taking into account the complex linkages between environment, trade and sustainable development;

15. Emphasizes that trade policy measures for environmental purposes should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade and that, in this respect, unilateral actions to deal with environmental challenges outside the jurisdiction of the importing country should be avoided;

16. Requests the United Nations Conference on Trade and Development to continue its special role in the field of trade and environment, including policy analysis, conceptual work and consensus-building, with a view to ensuring transparency and coherence in making environmental and trade policies mutually supportive, and taking into account the work being done by the General Agreement on Tariffs and Trade and other competent international and regional economic institutions;

17. Invites the General Agreement on Tariffs and Trade and requests the United Nations Conference on Trade and Development, in accordance with their respective mandates and competencies and in close cooperation with other competent United Nations bodies and the regional commissions, to address comprehensively trade and environmental matters, and to submit, through the Commission on Sustainable Development, a report on this question to the Economic and Social Council at its substantive session of 1994.